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HOUSE BILL 548

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Thomas C. Taylor

AN ACT

RELATING TO EDUCATION; CREATING THE EDUCATION STABILIZATION  
RESERVE; TRANSFERRING TO THE RESERVE A PORTION OF THE  
ADDITIONAL DISTRIBUTION FROM THE PERMANENT SCHOOL FUND;  
PROVIDING RESTRICTIONS ON APPROPRIATIONS FROM THE RESERVE;  
MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. ~~[NEW MATERIAL]~~ LEGISLATIVE FINDINGS-- PURPOSE--  
RESERVE CREATED-- APPROPRIATIONS FROM RESERVE RESTRICTED. --

A. The legislature finds that:

(1) the people of this state have recently  
consented to an amendment to the constitution of New Mexico  
that temporarily increases distributions from the permanent  
school fund for the limited purpose of implementing and  
maintaining educational reforms;

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1 (2) the educational reforms will require that  
2 additional public revenues be appropriated after the temporary  
3 additional distributions have expired;

4 (3) the governor has expressed the desire to  
5 place a portion of the additional temporary distributions into  
6 a "lock box" so that money will be available in the future in  
7 order to maintain the level of funding for educational reforms;  
8 and

9 (4) without a mechanism for safeguarding the  
10 money for the future use, it is likely that New Mexico will  
11 face another education crisis when, under the constitution, the  
12 additional distributions cease.

13 B. The purpose of this section is to create an  
14 education stabilization reserve as a special account within the  
15 appropriation contingency fund into which a portion of the  
16 increased distributions from the permanent school fund will be  
17 transferred along with such other money as available and  
18 necessary to ensure that enough money will be reserved in order  
19 to maintain necessary future funding levels for educational  
20 reforms.

21 C. The "education stabilization reserve" is created  
22 as a special account within the appropriation contingency fund.  
23 The reserve shall consist of a portion of the temporary  
24 additional distributions from the permanent school fund, as  
25 provided in Paragraph (1) of Subsection G of Section 7 of

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1 Article 12 of the constitution of New Mexico and in Section  
2 22-8-32 NMSA 1978, and such other money as appropriated or  
3 transferred to the reserve upon a finding by the legislature  
4 that the money will be needed in the future to maintain  
5 educational reforms. Income from investment of the reserve  
6 shall be credited to the reserve. Money in the reserve shall  
7 not revert to any other fund. Money in the reserve shall be  
8 appropriated only for educational reforms and only as provided  
9 in Subsection D of this section.

10 D. Money in the education stabilization reserve  
11 shall be subject to appropriation by the legislature pursuant  
12 to the following criteria:

13 (1) in fiscal years 2006 through 2012, no  
14 money shall be appropriated from that portion of the reserve  
15 attributable to the transfers made pursuant to Subsection C of  
16 Section 22-8-32 NMSA 1978, including the earnings on the money  
17 transferred;

18 (2) in fiscal years 2013 through 2016, amounts  
19 may be appropriated from the reserve for educational reforms;  
20 provided that the total amount appropriated in those fiscal  
21 years from that portion of the reserve attributable to the  
22 transfers made pursuant to Subsection C of Section 22-8-32 NMSA  
23 1978, including the earnings thereon, shall not exceed thirty-  
24 seven and one-half percent of that portion of the reserve; and

25 (3) in fiscal year 2017 and subsequent fiscal

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1 years, the remaining balance in the reserve may be appropriated  
2 for educational reforms.

3 Section 2. Section 22-8-32 NMSA 1978 (being Laws 1967,  
4 Chapter 16, Section 86, as amended) is amended to read:

5 "22-8-32. CURRENT SCHOOL FUND--RECEIPTS--DISPOSITION. --

6 A. As they are received, the state treasurer shall  
7 deposit into the current school fund revenue received from the  
8 following sources:

9 (1) all fines and forfeitures collected under  
10 general laws;

11 (2) the net proceeds of property that may come  
12 to the state by escheat; and

13 (3) all other revenue which by law is to be  
14 credited to the current school fund.

15 B. At the end of each month, the state treasurer  
16 shall transfer the amount in the common school current fund  
17 [~~also known as the common school income fund~~] to the current  
18 school fund.

19 C. At the end of each month in fiscal years 2006  
20 through 2012, after the transfer authorized in Subsection B of  
21 this section, the state treasurer shall transfer an amount from  
22 the current school fund to the education stabilization reserve  
23 equal to one-seventh of the distribution made in that month  
24 pursuant to Paragraph (1) of Subsection G of Section 7 of  
25 Article 12 of the constitution of New Mexico.

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[~~C.~~] D. At the end of each month, after the  
[~~transfer~~] transfers authorized in [~~Subsection B~~] Subsections B  
and C of this section, the state treasurer shall transfer any  
unencumbered balance in the current school fund to the public  
school fund. "

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